

## Message Text

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PAGE 01 HELSIN 01206 191135Z

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ACTION EUR-25

INFO OCT-01 ISO-00 FEA-02 PA-04 PRS-01 USIA-15 SP-03

AID-20 EB-11 NSC-07 RSC-01 CIEP-02 TRSE-00 SS-20

STR-08 OMB-01 CEA-02 COME-00 INT-08 L-03 H-03 CIAE-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

AGR-20 DRC-01 SAJ-01 /197 W  
----- 076306

R 191003Z JUN 74

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 7574

INFO AMEMBASSY COPENHAGEN

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

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E.O. 11652: N/A

TAGS: ETRD, FI, US

SUBJECT: FINNS ATTEMPTING TO RENEGOTIATE NEWSPRINT  
DELIVERY CONTRACTS

REF: HELSINKI 1134

1. CHAIRMAN OF BOARD OF FINNISH PAPER MILLS ASSOCIATION,  
JORMA KEINO, CALLED ON AMBASSADOR TO INFORM HIM THAT  
FINNS ATTEMPTING TO RENEGOTIATE AND/OR CANCEL LONG TERM  
NEWSPRINT DELIVERY CONTRACTS TO U.S.

2. MESSRS. NYSTEN AND RAUTANEN FROM FINLAND, ALONG WITH  
PRESIDENT OF MADDEN CORP. (AGENT IN U.S.) MR. AUWARTER,  
MAKING ROUNDS OF AMERICAN IMPORTERS OF FINNISH  
NEWSPRINT WITH MESSAGE THAT FINNS CURRENTLY LOSING  
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UP TO \$100 PER TON ON DELIVERIES TO U.S. AND REGRETFULLY

MUST RENEGOTIATE OR TERMINATE LONG-TERM DELIVERY CONTRACTS. FINNISH COSTS HAVE INCREASED FASTER THAN U.S. AND CANADIAN COSTS FOR NEWSPRINT DELIVERED IN NORTH AMERICA BECAUSE OF A) DOLLAR DEVALUATION VIS-A-VIS FINN-MARK, B) FINNISH PAPER INCORPORATES UP TO 30 PER CENT SAWMILL GRADE LOGS BECAUSE OF TIMBER SHORTAGE, C) FINNISH ENERGY COSTS IN MANUFACTURING PROCESS MUCH HIGHER THAN NORTH AMERICAN, AND D) SHARPLY HIGHER SHIPPING COSTS. FINNISH PAPER WILL CONTINUE TO MAINTAIN Foothold IN U.S. MARKET THROUGH PRINTING AND SPECIALITY PAPERS.

3. COMMENT: THIS VISIT WAS INSPIRED BY RECENT FALSE ALLEGATIONS BROUGHT TO BEAR AGAINST PULP EXPORTERS THAT DELIVERIES WERE BEING DIVERTED FROM WEST TO HELP PAY FOR HIGHER COSTS OF SOVIET OIL. KEINO SAID THAT HE DID NOT YET KNOW HOW MUCH PAPER WOULD BE EXPORTED TO USSR DURING THE NEXT YEAR (WHICH WILL BE FIRST YEAR OF YET TO BE NEGOTIATED FIVE-YEAR AGREEMENT), BUT PRELIMINARY INDICATIONS WERE THAT THERE WAS NO DESIRE ON THE PART OF SOVIETS TO INCREASE CURRENT MODERATE LEVELS OF NEWSPRINTS IMPORTS.

KREHBIEL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, PULPS, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** HELSINKI 1134  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2002  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINNS ATTEMPTING TO RENEGOTIATE NEWSPRINT DELIVERY CONTRACTS  
**TAGS:** ETRD, FI, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005